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SECURITY INFORMATION

25X1A2g  
10 December 1952

COUNTRY: Philippines

SUBJECT: Political Corruption/Personalities in Government

SOURCE :

25X1X6

1. Philippines are in the peculiar position of having no one they can feel friendly toward. They would like to ally themselves with Orientals and defy the white race, but can not accept either China or Japan. Their hatred of the latter is a natural reaction to the Japanese occupation.
2. The Philippines are not communist minded. Perhaps a still stronger cause for their dislike of the Chinese is the resentment against their control of Philippine commerce. But three Chinese have been admitted since October 1950. One of these was brought in by my firm as a salesman. He was educated in the U.S. and came to the Philippines from the U.S. But his entry had to be approved by Magsaysay, the Secretary of Justice, and the Secretary of Foreign Affairs.
3. The strong desire for an economy free of dependence on the white race would prevent any alliance with China until their ties with the USSR are severed.
4. With no foreign nation to whom they care to apply for advice or assistance, they also have a government they recognize as corrupt and in which they have no confidence. Resettlement of Huks on Mindanao is hindered by the fear they will end up as virtual slaves of a few politicians.
5. Industrial development is also hindered by the lack of an honest administration. Foreigners fear labor troubles and bleeding by politicians.
6. Development of Manila as a free port is delayed by problems of administration due to possibilities offered for further evasion of duty.
7. In handling company business, it is necessary to contact most governmental department heads and many have been met socially. Ones known well enough to form an opinion of their character are:
  - a. Magsaysay is an honest, sincere administrator with no political ambitions. He is very popular with the public but this popularity has caused opposition by jealous politicians. Quirino is jealous of Magsaysay's reception in the U.S. and his popularity at home, but would not dare risk unseating him.

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- b. Perez, Speaker of the House, is one whom I have had occasion to know especially well. He must be rated the most corrupt of the lot. His racket is blackmail using the threat of income tax inspection. Our oldest distributor's brother-in-law is a close friend of Perez but admits he is crooked. He is definitely unfriendly toward the U.S.
- c. Vice-President Lopez is a modest fellow of no spectacular talent but is honest and sincere. In business dealings, he has always displayed a desire to do whatever was most beneficial to the country.
- d. The secretary of finance owns the house in which I live. He has always appeared honest and capable.
- e. Gil Fuyat, a young Senator, is a crusader. A former Dean of the University, he is also interested in business ventures and is a leader in civic projects. He is honest and sincere.
- f. Senator Rerto is better known to me than the others. He is a brilliant lawyer, writer, and educator. Although he is unfriendly to the U.S. and automatically opposes anything they propose, he is sincere. He is not a Communist nor does he display any radical ideas.

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